Exploring the Influence of Organizational Culture, Organisational Structure and Pay Structure on Career Progression for Women in the Tech Industry

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Abstract

Women's career progression in the tech industry is stagnant, which causes concern about the opportunities for women in this sector. This study explores the complex relationship between organisational culture, structure, and pay in shaping the progression of women's careers. The proposed conceptual framework illustrates the significant factors in promoting inclusive environments to facilitate women's professional development. The glass ceiling theory explains the systemic organisational obstacles that prevent women from advancing inside organisations. The results emphasise that organisations and policymakers need to tackle these barriers to promoting gender equality and establishing conditions that support women's success and economic empowerment.

Keywords: organisational culture; organisational structure; pay and women’s career progression;

1.0 Introduction

The worldwide COVID-19 outbreak caused widespread destruction, interrupting regular businesses and accelerating the introduction of new business models. Digitalisation emerged as a crucial element driving corporate continuity and resilience during this turmoil. In Malaysia, there has been a remarkable 87% increase in E-Commerce usage, highlighting a significant shift in the market. The sector's Gross Merchandise Value (GMV) is expected to reach US$11.4 billion (RM46.8 billion) in 2020, showing strong growth (MiDA, 2020).

The pandemic's has stimulated prospects for technical progress in Malaysia. Technology companies have quickly responded to the increasing demand from businesses and consumers, supported by a population that is reasonably well-versed in IT skills compared to other industrialised countries. According to a PwC poll, 57% of participants improved their digital abilities since the beginning of the epidemic, with 46% honing their current skills and 11% learning new ones while working (PwC, 2021).

Malaysia's productivity depends on the skills and abilities of its people due to the significant impact of human capital on economic growth. Bowlus et al. (2021) highlight the importance of human capital, linking 20% of GDP growth to labour skills. Optimising the utilisation of talent is crucial for national advancement, regardless of gender.
1.1 Problem Statement

Over the past 20 years, the pay gap between genders has declined slower despite technological advancement and higher attainment of women's education. Blau & Khan (2017) reported that traditional factors were found to be the cause of the prevalence pay gap between genders. Human capital factors in the forms of women's work interruptions due to family commitment and shorter working hours are among the factors that persistently lead to pay differences. The differences in industries, as well as differences in gender roles and the gender division of labour, remain important (Blau & Khan, 2017).

Women’s participation in the workforce has increased tremendously since the 2000s. Despite the Covid-19 pandemic, there has been an increase in the number of graduates in Malaysia. Graduates increased by 4.7 per cent to a record 5.61 million persons (2020: 5.36 million). Meanwhile, graduates' labour force participation rate (GLFPR) remained as in the previous year at 85.0 per cent. Looking at the gender distribution of employed graduates in 2021, the share of females was higher at 51.9 per cent or 2.37 million persons, while males comprised 48.1 per cent (2.20 million persons). Compared to the previous year, the number of female-employed graduates experienced higher annual growth of 7.4 per cent in 2021 as opposed to an increase of 2.5 per cent in the number of male-employed graduates (DOSM, 2020).

Despite that, there is a higher number of female graduates pursuing higher education in technology areas, but their participation in technology areas is less than that of male graduates. Based on the press release by Malaysia Digital Economy Corporation (MDEC), Surina Shukri, CEO, Malaysian women working in the technology sector have reached only 35% in 2021. This data concludes that most females do not pursue technology careers upon graduation. The reality is far beyond expectations; invisible barriers prevent women from succeeding in their technology careers.

The fundamental worry is that women continue to be underrepresented in the tech sector despite technological advancements and advancements in IT enterprises. Friedl and colleagues (2019) discovered that inequality aversion is the primary cause of risk aversion in social risk-taking. Women have a considerable risk aversion, which shows that this risk aversion is also culturally unique. As a result, in Malaysian contact, women are more likely to reject high-risk positions that involve a lot of commitment and long working hours. When dealing with most IT initiatives, there is also a significant level of responsibility and accountability. This condition may encourage women to shun this work because of their commitment to family and societal expectations that women cannot perform specific tasks.

In the report provided by the Department of Statistics Malaysia (DOSM), the mean and median salary and wages for males and females decreased due to the impact of Covid 19 pandemic. The survey reported that males' median salary and wages fell 15% from RM2477 to RM2093. Meanwhile, the median salary and wages for females fell from RM2370 to RM2019. Historically, the salary and wages for females have always been below those of their male counterparts. This finding raises a concern for the fairness of salary distribution between genders in Malaysia. Accordingly, due to these issues women face in the IT workforce, this study attempts to answer the following research question: What is the relationship between organisational structure, culture and pay structure and women's participation in the IT workforce?

Based on the arguments above, the research aims to investigate the organisational structure, organisational culture, and pay structures and their impact on women's career progression. The research objectives are presented below:

1. To examine the relationship between organisational structure and women’s career progression
2. To examine the relationship between organisational culture and women's career progression
3. To examine the relationship between pay structure and women's career progression

The three variables identified in this paper represent the continuous struggles faced by the women workforce in Malaysia. A critical review of the elements that constitute the organisational structure, organisational culture, and pay structure would enable the organisation to act accordingly to revamp the internal organisation factors for the benefit of organisational performance.

2.0 Literature

Consistently, women in Malaysia show strong enrollment in higher education programmes, but their involvement in the tech profession has remained stagnant. Recent research on women's professional advancement has typically emphasised familial support and academic credentials while overlooking internal organisational barriers that hinder women's career progression. Internal organisational variables, such as organisational structure and pay disparities, are frequently disregarded yet are pivotal. The rigid hierarchical systems in several organisations, which are primarily male-dominated, impede women's chances for progress. The lack of equal representation of women in higher-level promotions results in insufficient support and mentorship opportunities, which sustains the cycle of gender imbalance. Further to that, women leaders have disproportionately high expectations relative to men, leading to systemic biases that benefit male employees in promotion processes.

Consequently, organisations must address the systemic impediments that hamper women's professional advancement in technology. A thorough study focused on identifying and dealing with internal organisational variables is crucial for promoting gender-inclusive growth and maximising the potential of Malaysia's female workforce. Conflicting research results exist regarding the impact of organisations on women's career advancement. The recent findings are deviating from the influences of culture as a barrier to women's career progression. This understanding necessitates additional research to determine if organisational culture consistently impacts women's professional advancement in Malaysia, where Islamic, Buddhist, and Hindu values primarily influence the cultural framework. Religious values reflect Malaysian civilisation. Studying whether these principles directly influence the organisational culture would be fascinating. An enhanced understanding of this link would enable the business to develop more effective intervention and change management strategies to reshape the organisational structure and recognise women's contributions.
2.1 Organisational Culture
Organisational culture refers to “a system of assumptions, values, norms, and attitudes manifested through symbols that members of an organisation have developed and adopted through mutual experience and that help them determine the meaning of the world around them and how they behave in it” (Warrick, 2015, p. 4). The cognitive component comprises shared assumptions, ideas, conventions, and attitudes among organisation members, influencing their mental (interpretative) schemes. Female executive shortages can be ascribed to strategy and organisational culture.

Organisational culture is crucial in developing individuals’ identities and sense of belonging inside an organisation. A welcoming and inclusive culture that supports gender diversity can assist women in identifying with the organisation and progressing in their careers. A positive work culture promotes teamwork and provides equal opportunity for skill development and advancement. Women who have a stronger connection to the organisation are more likely to be motivated, devoted, and engaged in their jobs, which can increase their career trajectory and income potential.

Organisation members who indicated shared values of high humane orientation and high gender equity also reported high percentages of women in management in comparison to other organisations in their society. Furthermore, organisational culture practices emphasising high humane orientation, high gender equity, high-performance orientation, and minimal power distance were linked to reports of high percentages of women in management compared to societal norms. The results of a regression analysis predicting the percentage of women in management from organisational culture characteristics revealed that gender equality practices and values emphasising humane orientation played a significant role in predicting the number of women in management. Gender equity-related organisational cultural practices were discovered to be the most important predictor of the percentage of women in management.

2.2 Organisational Structure
Some formal structural elements typically associated with organisations are roles, rules, communication links, authority and accountability assignments and distributions (Schulman, 2020). The existence of a glass barrier, as outlined by the Glass barrier Theory, could hinder women’s advancement and capacity to earn better income. Women may face difficulties in organisations that promote male-dominated hierarchies and limit access to decision-making roles (Khader et al., 2022).

Organisations should strive to build an inclusive culture that celebrates diversity and provides equitable opportunities for professional growth to overcome these concerns. Women’s career progression is accelerated by fostering gender equality in decision-making, offering mentorship and sponsorship programs, and addressing prejudices and stereotypes in male-dominated organisations (Galizz et al., 2023). Organisations should also invest in programs that improve women’s human capital through education, training, and professional development. This investment enables women to get the skills and experiences needed to enhance their professions, which affects their pay and general advancement within the organisation. Flexible working hours improve women’s chances of progress (Ramseook-Munhurrun et al., 2023).

The glass ceiling expresses itself as intangible barriers such as gender biases, preconceptions, and a lack of mentorship or sponsorship possibilities. Women may need more professional advancement, promotion access, and opportunities to advance to top leadership positions. As a result of these hurdles, women may be relegated to lower-paying roles or industries with limited chances for promotion, which contributes to the gender pay gap.

2.3 Pay structure
The gender pay gap in Malaysia has been persistently increasing in the past year. Higher inequality rates can be explained by the slow income growth rates for the bottom 90%. Despite awareness, the gender income gap persists, as researchers have reported since the 2000s. One of the studies found that the income of female workers, on average, is lower than that of male workers (Muhammad & Majib, 2020). The study also found that education is vital in determining the gender income gap. In addition, the income decomposition model suggests that the big gap in gender income might be attributed to unexplained factors, which might refer to discrimination (Muhammad & Majib, 2021).

The gender pay gap is also documented in developed countries. A 2017 study revealed that female employees in the United States were paid 80% less than their male counterparts, even though they worked full-time throughout the year (Fontenot et al., 2018). In 2016, a Glassdoor Economic Research survey found an unadjusted income disparity of 24.1% in the US, with women earning less than men. Although utilising 2016 data, the study raised concerns about the persistent gender pay discrepancy. This study extends this issue to include Malaysian labour market conditions. The Department of Statistics Malaysia (DOSM) has significantly improved women’s living and educational attainment over the past two decades. There are more women than men pursuing higher education. The longstanding gender pay disparity must be addressed seriously for Malaysia to evolve into an advanced economy. The current study aims to identify the explanations behind salary discrepancies by examining multiple potential factors influencing pay. To address the gender pay gap in Malaysia, researchers explore income equality among Tech workers and identify potential causes of income inequality in Tech organisations.

2.4 Conceptual Framework
The influence of organisational culture, structure, and salary on women’s advancement is multifaceted. The Social Identity Theory emphasises the importance of an inclusive culture, the Glass Ceiling Theory highlights structural barriers, and the Human Capital Theory emphasises the importance of education and skills. Organisations must actively address these elements to create an environment that supports gender equality in the workplace, stimulates women’s career advancement, and closes the gender wage gap.
Based on social identity, glass ceiling, and human capital theories, the study hypothesised that organisational culture, structure, and the pay gap have influenced women's career growth in the IT workforce. Researchers have found many barriers to women's job advancement. These outstanding women could not advance within their organisations due to a substantial perceived barrier related to cultural influences. This scenario is what researchers refer to as the glass ceiling effect. Despite advancements in technology and social exposure, the classic issue of gender discrimination persists. In a male-dominated organisational culture, this resulted in wage discrepancies. Similarly, work and family conflict are frequently stumbling barriers that impede women's career advancement.

Figure 1.0: Conceptual Model of Factors Influencing Women's Career Progression in the Tech Industry

3.0 Methodology
The case study method investigates this study's research question and objectives. This method enables the researcher to conduct an in-depth study of the situation to understand the complex situation faced by women in the IT Sector.

Data Collection and Data Analysis
Data gathering is conducted in collaboration with a significant Malaysian IT company, the primary data source for this research. The procedural details provided define the process of data collection.

1. Identification of Participating Company: Companies in the Malaysian IT sector were selected based on their industry prominence, size, and willingness to participate in the study.
2. Engagement and Consent: Formal communication was initiated with the chosen company’s management to clarify the research aim, methodology, and expected outcomes. After obtaining approval, a formal agreement detailing data-sharing procedures and confidentiality safeguards was created.
3. Development of Data Collection Instrument: A detailed data-gathering tool was created, including gender, work experience, job grade, and salary. The instrument was created to gather essential data about the career paths of female employees in the organisation.
4. Data Collection Procedure: A chosen representative from the participating company, trained by the study team, conducted the data collection to maintain uniformity and accuracy. The representative used structured questionnaires, interviews, and access to organisational records to gather pertinent data sets.

Rigorous quality assurance techniques were used during the data collection to reduce errors and maintain data integrity. The techniques involved regular audits, validation checks, and compliance with defined data-collating processes. Ethical criteria for data collection, storage, and usage were rigorously followed during the study. Participant anonymity and confidentiality were emphasised, and informed consent was obtained from all individuals who contributed to the data collection.

4.0 Findings and Discussion
This study, which includes a thorough evaluation of current literature and a detailed methodological approach, is expected to significantly add to the understanding of the barriers within the IT sector that prevent women from progressing in their careers. Our research examines the structural barriers in organisations and analyses the systemic factors that maintain unfair pay structures for women. It highlights the urgent need for organisational reform to create a better environment for women's career advancement.

The study how organisational structures and practices maintain gender inequalities in career progression and pay, highlighting the need for significant changes in organisational frameworks. Our research emphasises the need for organisations to implement inclusive policies and procedures to eliminate deeply rooted biases and discriminatory behaviours. This effort will help women employees advance in their careers and receive fair compensation for their work. This study highlights the ongoing lack of progress in challenging outdated attitudes and behaviours that hinder women’s career advancement despite numerous studies from Western and Asian perspectives. Figure 1.0 outlines a detailed plan for examining the various elements that impact women’s career paths in Malaysia, including workplace dynamics, environmental influences, and cultural norms.

Our findings emphasise the importance for organisations to aggressively address systemic barriers and promote a culture of gender equality and inclusivity. Stakeholders may drive significant change by implementing organisational reforms based on empirical facts and
ideas from our study. The change will empower women employees to reach their full potential and enhance their contribution to the growth and innovation of the IT sector.

Investigating the relationship between organisational structure, organisational culture, and pay structure is pertinent in modern organisations. Demographic data indicates that women comprise most of the global workforce, accounting for over half of the working population. A certain percentage of women in Malaysia are employed. More women are obtaining university degrees, attributed to the equal opportunity for education among women in Malaysia. The delayed advancement of women into higher positions within organisations in Malaysia is evident and raises concerns about the future development of the Malaysian workforce. Wasting talent could indirectly lead to losses for Malaysian organisations.

Moreover, cultural barriers are the primary reason for the pushed-back progression of women's careers in the tech industry. Malaysian culture places a greater focus on women as the primary carers of the household, leading to heavier pressure on female employees to fulfill household responsibilities. This culture is also embedded into the organisation. Women workers are considered more suitable for supportive or administrative roles. Cultural obstacles are impacting the organisational structure by limiting opportunities for women to hold crucial positions due to the notion that they may need to perform well because of family commitments. Due to male dominance in higher positions, women are inadvertently excluded from being promoted to more crucial positions. Lack of representativeness restricts their chances for advancement and promotion to higher positions.

On top of that, pay structures are the primary factor undermining women's advancement. Women are frequently paid less than males in silence. Women's low compensation is typically a result of occupying low-risk, supportive, or administrative positions and making unrecongnised contributions within the it organisation.

4.0 Conclusion
This research explores the relationship between organisational culture, structure, and pay concerning women's career progression. The study aims to contribute to the promotion of gender equality in the workplace. By examining organisational culture and structure, the research illuminates the constraints and opportunities for women in the workforce. One promising avenue for facilitating women's career advancement is the provision of mentoring opportunities. Mentorship programs can offer invaluable guidance, support, and networking opportunities, enabling women to effectively navigate organisational dynamics and overcome professional challenges. By prioritising mentorship initiatives, organisations can cultivate a nurturing environment that fosters the growth and development of women's talent.

The significance of this study reflects that the opportunity for female employees in tech jobs still needs to be improved regardless of their potential. Their preferred career choice often reflects the perceived limitation of their capabilities. There is an insight that female employees are often prone to administrative work, resulting in low median pay, further strengthening the glass ceiling. Therefore, intervention from the early education stage, for example, in secondary and college education, on women's potential and capabilities are essential for boosting their confidence. Awareness and educational programs on equality, regardless of gender, might further improve women's opportunities in this field. Moreover, the findings of this study hold significant implications for policymakers as they seek to address gender disparities in job advancement and remuneration. By understanding the underlying factors influencing women's career trajectories, policymakers can implement measures to mitigate biases, foster diversity, and create inclusive work environments conducive to women's success.

This study poses several limitations regarding the measurements and dimensions of each factor discussed and the methodological approach. Therefore, a deeper investigation is warranted to discern how these aspects can be effectively and efficiently reconfigured to promote gender equality and facilitate women's career advancement. The focus should be on implementing actionable steps to create more inclusive organisational structures that support female participation. In addition, it is crucial to recognise the methodological constraints of this investigation. The research could be limited by the availability and extent of collected data, which may restrict the depth of analysis and the generalizability of conclusions. The study's dependence on self-reported data or data from a particular organisation could create bias or fail to consider nuances in broader contexts.

In conclusion, addressing the barriers to women's career progression requires a concerted effort from academia and organisations. The furture direction of the research in this area should delve deeper into the structural, cultural, and systemic factors that perpetuate gender disparities. The efforts would pave the way for meaningful change and create a more equitable and inclusive workplace.

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Paper Contribution to Related Field of Study
The paper contributes to human resource management, organisational studies, and women's studies.

References


Malaysians are hopeful that their digital skills have improved since the pandemic began but continue to be held back by fears of job security and automation. Retrieved August 30, 2022, https://www.pwc.com/my/en/media/press-releases/2021/210430-digital-skills-improved-since-pandemic.html.


